

**Access to Microfinance & Improved Implementation of Policy  
Reform  
(AMIR Program)**

**Funded By U.S. Agency for International Development**

**Training On Customs Valuation**

Final Report

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*This report was prepared by Mr. Ben Irvin, in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.*

# **Table of Contents**

Executive Summary

## **Training on Customs Valuation**

- I. Background
- II. Train-the-trainers – Jordan Customs Department
- III. Business Association Public Awareness Seminars
- IV. Specialized Presentations
  - A. Judges of Customs Court, Judges of Appellate Court, and Customs Prosecutors
  - B. Customs Brokers, Customs Clearing Agents and Freight Forwarders
- V. Miscellaneous Activities Performed
  - A. Anti-dumping, Countervailing Duty and Safeguard Measures
  - B. Customs Valuation Decision and Format
  - C. Overview of Compilation of Foreign Trade Statistics of US
  - D. Professionalism and Ethics

Annex A - Training on Customs Valuation Team

Annex B - WTO Informational Bulletin

Annex C - Scope of Work – Training on Customs Valuation

Annex D - Training Manual and List of Participant for Customs “Train the Trainers” Course

Annex E – WTO Customs Valuation Course, List of Participant

Annex F – Public Awareness Seminars: Business Associations

Annex G- Judges of Customs and Appellate Court; Customs Prosecutors

Annex H -Brokers, clearing Agents and Freight Forwarders

Annex I - Ministries of Agriculture and Industry & Trade Participants

Annex J - Valuation Decision and Format

Annex K - Paper on Overview of US Foreign Trade Statistics

## **EXECUTIVE SUMMARY**

The AMIR Program has been assisting the Kingdom of Jordan in their quest to become a Member of the World Trade Organization (WTO). On March 21, 2000, the WTO issued an informational bulletin (WT/INF/6/Rev.7) that on 11 April 2000, Jordan will become the 136<sup>th</sup> Member of the World Trade Organization.

An area of major concern to most WTO Member countries is an acceding country's national Customs Law, implementing regulations and level of training of Customs Officers. Customs Law # 20 took effect on 1 January 1999. However, Customs Law #20 was not in conformity with the WTO Customs Valuation Agreement.

In a previous Final Report on Amendments to Customs Law # 20, the AMIR Program reported to USAID 5 areas of the Customs Law requiring amendments. The Amended Customs Law, incorporating the AMIR suggested changes, was passed by the Parliament in February 2000. The effective date has not yet been released but is anticipated to be on or about 1 June 2000.

In preparation for implementation by Jordanian Customs Department of the WTO Customs Valuation Agreement, a Scope of Work covering "Training on Customs Valuation" was approved. This training included (1) a "train-the-trainers" seminar for the Customs Department; (2) a public awareness or public education program aimed at the business community (importers, exporters, traders and producers); (3) training for Customs Brokers, Customs Clearing Agents and Freight Forwarders; (4) training for Customs Prosecutors and Customs lawyers; and (5) training for Customs Court and Appellate Court Judges.

The "Training on Customs Valuation" was well received by the Jordanian Customs Department and by the Jordanian business community. Extensive media coverage was accomplished via television interviews and comprehensive and detailed newspaper articles.

## **Training on Customs Valuation**

### **I. Background**

One of the more significant areas of interest by WTO Member countries is the legal and regulatory regime of Customs Administrations. The Kingdom of Jordan, of course, is no exception. As mentioned in the “Executive Summary” to this Final Report, the AMIR Program assisted the Kingdom of Jordan in becoming a Member of the World Trade Organization (WTO).

The WTO on March 21, 2000 issued an informational bulletin (WT/INF/6/Rev.7) announcing that effective 11 April 2000, Jordan will become the 136<sup>th</sup> Member of the WTO. A copy of this informational bulletin is attached as Annex B.

In a previously submitted Final Report on Amendments to Customs Law # 20, the AMIR Program reported the 5 major areas of the Customs Law requiring amendments. The Amended Customs Law, incorporating all of the suggested changes by AMIR, was passed by the Jordanian Parliament in February 2000. The actual implementation date of the Amended Law is unknown at this time. Related laws that interact with the customs Law (anti-dumping, countervailing duty and safeguard measures) have not been passed by the Parliament. It is anticipated that the effective date of the Customs Law will be on or about 1 June 2000.

A Scope of Work was prepared and approved by USAID for a Customs Department “train-the-trainers” seminar as well as a public awareness and public education series of seminars on the WTO Customs Valuation Agreement.

A 10-day “train-the-trainers” seminar was conducted during the period February 6 to February 17, 2000. This seminar consisted of 24 lessons covering basic principles of the WTO Customs Valuation Agreements as well practical exercises to test the participants’ comprehension of the principles as applied to a set of facts in order to arrive at the legally correct answer. This seminar was attended by 18 Jordanian Customs Officer, 2 officials from the WTO Unit of the Ministry of Industry and Trade, the Director of Valuation, and Jamal Olaimat of the AMIR Program. Certificates were given to those participants who successfully completed the training course.

Public awareness or public education seminars were held for the business community at the Amman chamber of Commerce, the Irbid Chamber of Commerce, the Zarka chamber of Industries and the Aqaba Chamber of Commerce and the Women’s Professional and business Association.

Specialized seminars were conducted for (1) Customs Court and Appellate Court Judges and (2) Customs Brokers, Customs Clearing Agents and Freight Forwarders.

The “Training on Customs Valuation” was well received by the Jordanian Customs Department, and by the Jordanian business community. There was extensive media coverage for most, if not all, of the scheduled events.

Specific details of the seminars and training functions will be discussed in the following sections of this Final Report.

Annex A contains the name of persons instrumental in the success of the “Training on Customs Valuation.”

## **II. Train-the-trainers - Jordanian Customs Department**

Perhaps the most important portion of SOW 4.2.2 dated January 05, 2000 (copy attached as Annex C) was the “train-the-trainers” seminar on the WTO Customs Valuation Agreement. The training course was delivered to 18 Customs Officers and 2 men from the Ministry of Industry and Trade. The 2-week seminar started on February 6, 2000 and ended on February 17, 2000.

The training course consisted of 24 lessons setting forth the principles of the WTO Customs Valuation Agreement, and the Amended Jordanian customs Law incorporating the applicable CVA principles. Also included in the training program were a series of “practical exercises” which tested the participant’s absorption and retention of the basic principles and the ability to solve specific problems.

Attending the opening of the “Train-the-trainers” course were Dr. Khalid Al Wazani, Director General of the Customs Department. He challenged the seminar participants to apply themselves to this important training, be diligent and alert to suggestions, and be prepared to convey this knowledge to other Customs Officers.

In attendance at the closing or graduation ceremony was Dr. Al Wazani, USAID Director Lewis Lucke, AMIR Program Director Steven Wade and seminar lecturer Ben L. Irvin. Certificates of successful completion and congratulations were presented.

Annex D is a list of participants.

Annex E is a copy of the training manual prepared and used for this most successful “train-the-trainers” course on Customs Valuation.

## **III. Business Associations Public Awareness Seminars**

Scope of Work 4.2.2 envisaged that extensive public awareness and public education is given to the business community through Jordan. In cooperation with the Business Associations Component at the AMIR Program, a broad public awareness program was developed and implemented. Special thanks should be given to Dr. Zaki Ayoubi and Robert Ash for their leadership and assistance in contacting and arranging seminar organizations and locations.

An ambitious and extensive schedule of public education seminars was developed and carried out as follows:

<b><u>Organizations</u></b>	<b><u>Location</u></b>	<b><u>Attendance</u></b>
Amman Chamber of Commerce	Amman	Approx. 130
Aqaba Chamber of Commerce and Women’s business & Professional Club	Aqaba	Approx. 75

Zarka chamber of Industries	Zarka	Approx. 45
Jordan Traders Association and Jordanian American business Association	Amman	Approx. 30
Irbid Chamber of Commerce	Irbid	Approx. 60

A similar presentation was given at all locations. First there was an overview of the World Trade Organization (WTO) and how the Customs Valuation Agreement fit into the overall scheme of the WTO. Second there was a brief discussions of benefits and obligations of Jordan as a Member country of the WTO. And finally the principles of the WTO Customs Valuation Agreement and the Jordan Customs Law were presented. All sessions provide a significant amount of time for questions and answers by the seminar participants.

All of the above-mentioned organizations were well pleased with the quality of the seminar lecturer as well as the quantity of information communicated to their members. As mentioned in the Executive Summary, there was extensive coverage by the media, both newspapers and television.

Annex F contains articles on these seminars from Jordanian newspapers, and the attendance “sign-in” sheets.

## **IV. Specialized Presentations**

And last, the SOW required the presentation of Customs Valuation training to specialized audiences, such as Judges of the Specialized Court (Customs Court) and the Appellate Court as well as to Customs Brokers, Customs Clearing Agents, and Freight Forwarders.

### **A. Judges and Customs Prosecutors**

With the assistance of the AMIR Training Department, two specialized seminars were arranged for, and delivered. The first seminar was for Judges of the Specialized Court (Customs Court) and the Judges of the Appellate Court. Because lawyers of the Jordanian Custom Department initiate cases (they are called Customs Prosecutors), it was requested that the specialized customs valuation training be conducted held for both judges and prosecutors at the same time. This request we acceded to.

At the specialized customs valuation training, held on March 23, 2000, in attendance were 8 judges from the Customs court, 2 judges from the Appellate court, and about 12 Customs Prosecutors. The attendees express gratitude to the AMIR Program and the lecturer for providing background materials on the WTO Customs Valuation Agreement and an overview of the Amendments to the Jordanian Customs Law.

Annex G is a list of the Judges and Customs Prosecutors in attendance.

## **B. Customs Brokers, Customs Clearing Agents and Freight Forwarders**

The second specialized training course was held for Customs Brokers, Customs Clearing Agents and persons in the freight forwarding business. The seminar was conducted on a holiday morning and the attendance was somewhat disappointing. There were about 20 participants in this seminar/workshop. Most of the participants were Customs Clearing Agents.

This specialized customs valuation training focused on the principles of customs valuation, the methods to be used, and how the system actually operates. Clearing agents are vital to the Customs Department mission as these are the persons who actually prepare Customs Declarations. This specialized training better enabled them to carry out their functions and responsibilities when the provisions of the Amended Customs Law are implemented.

To the participants of the specialized seminar/workshop, the most valuable aspect was the question and answer period. Good use of this time was made as the participants were able to raise and discuss practical and specific problems.

Annex H is a list of the participants at this seminar/workshop.

## **V. Miscellaneous Activities Performed**

### **A. Anti-dumping, countervailing duty and Safeguard Matters**

Because of my expertise, experience and presence in Jordan, I was asked to do some work on the above-captioned subjects. This included meeting with the legal advisors to the AMIR Program (International Business Associates) concerning the draft laws on anti-dumping, countervailing duty and safeguards. I met on numerous occasions with Rana Bin Tariff who is the attorney handling these matters at the law firm. We discussed the WTO agreements, anti-dumping and countervailing duty, specifically with regard to judicial review. Also we discussed policy issues and questions which are optional on the part of Member countries Competent Authority.

Dr. Hindawi and Dr. Mahaneh of the Ministry of Industry and Trade asked me to meet with them to discuss the creation of a new Directorate for Trade Remedies. We met on 2 occasions to discuss organizational structure, staffing, personnel and other related issues. As I came to find out, our discussions were to format a set of recommendations for Minister Halaiqah and the Directors of various Directorates at the Ministry which were presented and discussed at a meeting on March 9, 2000.



And last, I was asked to present a seminar/workshop for a collective group from the Ministry of Agriculture and the Ministry of Industry and Trade on anti-dumping, countervailing duty and safeguard measures. This workshop was held at the Hotel Intercontinental Jordan on Sunday, March 26<sup>th</sup>. The workshop focused on principles and procedures under the WTO Agreements on these three topics. I presented the basic principles of the Agreements and then there was extensive discussions and questions and answers on the various subject and topics.

Much interest was exhibited on the issues of safeguards and special safeguards. Perhaps as much as ¼ of the time was devoted to questions on special safeguards. In my opinion, this workshop was invaluable in resolving differences between the Ministries of Agriculture and Industry & Trade over area of responsibility, enforcement, functions and jurisdiction.

Annex I is a list of participants at this seminar/workshop.

## **B. Customs Valuation Decisions and Format of Decision**

Mr. Mahmoud Al-Rawashdeh, Director of Valuation at the Jordanian Customs Department, asked for my assistance in resolving an outstanding value dispute, and to provide a format for future valuation decisions.

A memorandum dated February 28, 2000 transmitted my recommendations as to the results of the value decision and the appropriate format to Mr. Al-Rawashdeh. The suggested format is (1) Itemization of the Issues; (2) a listing of the Facts; (3) an Analysis/Discussion of the issues and fact involved; and (4) a statement of Conclusion of Law.

Annex J is a copy of the valuation decision in the recommended format

## **C. Overview on the Compilation of foreign Trade Statistics of the US**

In a Customs Matters discussion with Mr. Marwan Moh'd. Gharaibeh, Director of Planning and Development, Jordanian Customs Department, the subject of customs valuation and statistical compilation/publication was raised. Providing that time permitted, it was agreed that a paper setting forth an overview would be prepared and given to him.

A paper entitled "An Overview on the Compilation of Foreign Trade Statistics of the United States" was prepared and forwarded to Mr. Gharaibeh.

Appendix K is a copy of the above-mentioned paper.

## **D. Professionalism and Ethics**

A Scope of Work was approved concerning the topics of “Professionalism and Ethics.” In a meeting with the Director of Planning and Development at the Customs Department, it was agreed that the AMIR Program would conduct seminars on these topics. Mr. Gharaibeh was to obtain approval from the Director General of Customs and arrange dates and locations for the seminars. Mr. Gharaibeh was required to take a business trip to the United States. Unfortunately there was no record of what actions he had taken or arranged with the General Director. Therefore, the seminars on Professionalism and Ethics were not conducted.

Attached as Appendix L are materials prepared in preparation for the delivery of the seminars on Professionalism and Ethics, including the topic of trade facilitation.

## **ANNEX A**

### **Training on Customs Valuation Team**

#### **AMIR Program**

Farhat Y. Farhat  
Policy Component Director

Ben L. Irvin, Esq.  
Customs and Trade Attorney

Jamal Olaimat  
Customs Specialist

Dr. Zaki Ayoubi  
Business Associations Component Manager

Sameera Qadoura  
Public Awareness and Training Manager

Lina Arafat  
Event and Training Coordinator

Rawan Tell  
Training Assistant

Ammar Jaber  
Public Relations Writer

#### **Jordan Customs Department**

Marwan Moh'd Gharaibeh  
Director of Planning and Development

Mahmoud Al- Rawashdeh  
Director, Valuation and Risk Analysis

## **ANNEX B**

## **WTO INFORMATIONAL BULLETIN**

## **ANNEX C**

### **SCOPE OF WORK**

#### **TRAINING ON CUSTOMS VALUATION**

## **ANNEX D**

### **Training Manual**

## **ANNEX E**

### **Customs “Train-the-Trainers” Course**

#### **WTO Customs Valuation**

##### **List of Participants**

## **ANNEX F**

### **PUBLIC AWARENESS SEMINARS**

### **BUSINESS ASSOCIATIONS**

**(Newspaper Articles)**

**(“Sign-in Sheets”)**



**ANNEX G**

**JUDGES OF SPECIALIZED COURT**

**(Customs court)**

**APPELLATE COURT JUDGES**

**CUSTOMS PROSECUTORS**

## **ANNEX H**

**CUSTOMS BROKERS**

**CUSTOMS CLEARING AGENTS**

**FREIGHT FORWARDERS**

## **ANNEX I**

**Participants from Ministry of Agriculture  
And Ministry of Industry and Trade  
At Workshop on Anti-dumping, Countervailing Duty  
And Safeguard Measures**

## **ANNEX J**

### **CUSTOMS VALUATION DECISION AND RECOMMENDED FORMAT**

**ANNEX K**

**PAPER ON**

**AN OVERVIEW OF THE COMPILATION**

**FOREIGN TRADE STATISTICS**

**OF THE UNITED STATES**